in confidence, and therefore throws the validity of the entire testing procedure into question. The supervisor appraisals were necessarily "subjective" which means that the entire test cannot be reasonable called "objective."

Secondly, the process utilized to develop the IAR questionnaires could be considered invalid. The sampling was random, rather than controlled. We have no way to determine if a proper diversity of employees was chosen in the first place. To make matters worse, the baseline sample was essentially self-selected. OPM gave all new hires the opportunity to complete the IAR questionnaire, but no one was forced to do so. In fact, approximately only one-half returned their forms to OPM. And since even more questionnaires had to be excluded because they were not matched with supervisor appraisals, the validity of the sample must be called into question because of self-selection as well as inadequate initial control.

Thirdly, we must consider the questions themselves. Since we have not seen the IAR, we remain unconvinced that what appears to be a "character" test can have any true correlation with job performance. In our opinion, there are only three factors that can be used legitimately to indicate potentially successful job performance, and they are education, experience and skill. All three may be measured empirically. The IAR measures none of these, and its measurement must be normative, or subjective.

Madam Chair, I think our concerns with the IAR stem from the kinds of tests the Government has tried to force on its employees lately, and the direction in which these tests have been going. We have had proposals for lie detector tests, drug tests, and now a proposal for what must be regarded as a morality or character test. What employees think of themselves and how they think other view them should not be a criterion for working in the Federal Government. Neither should consideration for Federal jobs be withheld on the basis of how many clubs an individual joined in high school.

We approve of OPM's intention to introduce job-specific skills examination into the hiring process when such can be accomplished objectively. We do not have a problem with this particular approach provided, and this is an important consideration, that the skills tests can be proven to be non-discriminatory. If such tests could be designed and made available to the general public, they could serve to help rate and rank qualified applicants.

As I said earlier, Madam Chair, I think all of us here today want the same thing: a reliable, effective and fair means to attract qualified candidates to the Federal Government. However, I am afraid that there are still too many unanswered questions surrounding OPM's proposal for us to support it at this time. Eliminating personality-tests from the hiring procedure would be an important first step.

This concludes our statement, I will be happy to answer any questions.

Mrs. SCHROEDER. Thank you very much, and, again, we appreciate your insight, as always.

You appear to have real serious concerns with the Individual Achievement Record portion of this whole hiring plan, but you don't appear to be objecting to the direct hire portion. Is that correct?

Mr. PEIRCE. That is true, Madam Chair, but it is not to say that we are satisfied with that. Again, I allude to my cohort before. For lack of something else right now, we still think in order to get qualified candidates for the Federal Government and to solve some of our problems we need to get moving.

Mrs. SCHROEDER. So you are not quite sure. You disagree then with the National Treasury Employees Union. Would that be fair to say?

Mr. PEIRCE. Well, I guess disagree, but to a certain extent yes. To the extent that there has to be a better way than just establishing a floor and have some hiring individual make the selection based on something we don't understand. This allows an extreme amount of subjectivity. That could be political; it could be otherwise; nobody knows. I think in the long run there has to be something better than that approach, however.

Mrs. SCHROEDER. Has OPM worked at all with you?

Mr. PEIRCE. Except for one briefing, none whatsoever.

Mrs. SCHROEDER. So you have had no contact.

Mr. PEIRCE. No. As a matter of fact, we haven't been able to get most of our questions answered.

Mrs. SCHROEDER. AFGE has said that they see this as a good attempt to balance the dual requirement to have a representative work force and a fair and open competition. Would you agree with that?

Mr. PEIRCE. I guess given my skepticism with this administration I wouldn't want to put it in those precise terms.

Mrs. SCHROEDER. We thank you very much, and, again, we appreciate your coming one more time before the committee, and we will stay in touch as we try and find out what is really going on here. Thank you very much.

Mr. PEIRCE. Thank you, Madam Chair.

Mrs. SCHROEDER. The final witness we have this morning is Mr. John Mulholland, who is the director of field services for the American Federation of Government Employees.

Mr. Mulholland, we are very pleased to have you this morning.

STATEMENT OF JOHN MULHOLLAND, DIRECTOR OF FIELD SERVICES, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, ACCOMPANIED BY JACKIE EDBERG, INTERN

Mr. MULHOLLAND. Thank you, Madam Chair.

I would like to introduce Jackie Edberg, an intern who helped us with this project.

Because we represent 700,000 workers we appreciate this opportunity to discuss OPM's new recruitment and testing program to replace the discredited PACE exam and the current confusing and unsatisfactory Schedule B hiring procedures.

Obviously, how the Government recruits and selects new employees goes to the heart and the future of our merit personnel system and the future of our Government's ability to meet our Nation's pressing needs. But recruitment should not be seen only as a narrow issue involving testing recruitment procedures. Recruiting the best and the brightest into Government service to meet the public policy challenges of our Nation simply will not occur if the potential employees are being offered Federal salaries and compensation 10 to 30 percent lower than those available in the private sector. The intrinsic rewards of many Government positions may be large, but people still have to pay their bills and meet their economic commitments.

In a speech to the Government recruiters, OPM Director Constance Horner displayed OPM's new recruiting package and argued that, "We are now ready to compete brochure for brochure with the finest private sector employers in the country." With all due respect to Director Horner, let me suggest that until the Federal Government is ready to compete dollar for dollar as well as brochure for brochure with the private sector our recruitment problems are unlikely to be overcome. Clearly, this administration has failed to recognize or, much less, address this crisis in Federal compensation.

Similarly, OPM, under former Director Donald Devine, failed to reconstruct an adequate and responsible hiring position to replace the PACE exam as required by the consent decree that OPM negotiated with a group of minority candidates in 1981. Under the consent decree, OPM agreed to fashion nondiscriminatory, competitive, occupational tests for the 118 positions covered by PACE. As of today, only 16 tests have been developed. Devine recently informed the Washington Post that he had intended to stall until the consent decree expired and go back to a PACE-like test. This arrogant, cynical, high-handed approach epitomizes the disdain of this administration for minority rights and the judicial process. We are pleased to see that the current Director abandoned this approach.

The first merit principle (5 U.S.C. 2301) requires that: "Recruitment should be from qualified individuals from appropriate sources in an endeavor to achieve a work force from all segments of society, and selection and advancement should be determined solely on the basis of relative ability, knowledge, and skills, after fair and open competition which assures that all receive equal opportunity."

We see this proposal as a good faith attempt to balance the dual requirement to achieve a representative work force and to maintain fair and open competition.

We understand that the current proposal would set up two alternative hiring procedures. First, the agencies will authorize to directly hire without any testing college graduates with a grade point average above a cutoff point of 3.0 to 3.25; the precise cut-off point is yet to be determined. Second, there will be a centralized testing procedure that will combine standard occupational testing with a new testing procedure, the Individual Achievement Record, which they call the IAR. The IAR is OPM's name for what is generally referred to as biodata testing in the private sector.

The goal in general seems to be to test for the biographical data which has shown to be highly correlated with successful job per-

formance. A review of research materials provided by Richardson, Bellows, Henry and Company, the leading private sector firm in developing biodata testing, shows it a major plus for this type of testing in that while successfully predicting job performance it avoids much of the adverse impact that traditional pen-and-pencil aptitude tests have had on minorities.

It is our understanding that OPM has not yet determined the relative weighting of these two tests nor has it determined the number of occupational tests to cover the remaining jobs. There are still many unanswered questions and gray areas which still need to be clarified.

The direct hire approach is not new. The consent decree established the Outstanding Scholar Program, which allowed agencies to direct hire based on a grade point average. The only difference is that the cutoff point for direct hiring students was at the 3.5 average on a 4.0 scale rather than the proposed 3.0 to 3.25.

According to OPM, out of the 10,000 of new Federal employees since 1982, less than 900 have been hired under the Outstanding Scholar Program. Given this track record, one has to wonder how successful this new approach will be. Perhaps in the past it was a problem with the Government's brochures.

If direct hiring expands under this program, it opens up several areas of potential abuse. For example, could an agency head with strongly held ideological beliefs direct the agency's recruitment efforts to universities with similar ideology tendencies? To be more concrete, it is conceivable that the Interior Department under James Watt would have directed Interior recruitment efforts to schools like Liberty Baptist College and Bob Jones University. We fear that the answer would be yes.

What happens in the case where more Government employees meeting the GPA requirements apply than there are positions to fill? Will be there an effect on veterans' preference? Given this discretion, there are many dangers that the recruitment officer could hire friends or children of friends. Are there any time limits on the date of graduation, or could an agency directly hire an applicant who had a 3.5 GPA when he graduated or she graduated in 1960? Is there any consideration given to quality of the institution? Could recent college graduates who participate in the successful presidential campaigns be given preferential hiring?

If this broadened hiring authority is allowed to go forward, we would expect, at a minimum, broad reporting requirements on such hires as to include agency-specific data on colleges, race, sex, GPA, positions recruited, and so forth, so that many hiring abuses could be identified and dealt with.

Furthermore, there could be written criteria for selecting such direct hires in cases where applicants outnumber available positions. Such criteria would include and strongly weigh affirmative action goals.

In regard to centralized testing and the new IAR approach, AFGE has not had the opportunity to examine the actual questions of the IAR. We trust it does not contain any gender or race specific questions. Also, we trust that the privacy of the individual taking the exam will be protected.

It is our understanding that the IAR is an exam which asks questions on an individual's background and record. According to OPM, the questions are designed to determine whether applicants have fully taken advantage of the opportunities available to them, not what opportunities they have had.

A clear correlation was apparently found between the answers given to those questions and the individual's job performance. Although OPM claims to have been careful to avoid discriminatory or inappropriate questions, it is important that we be able to review the questions, sampling procedures, and results for ourselves before making a final decision.

Finally, as a union we immediately represent current employees not potential employees. We are very concerned that these new hiring procedures do not close off internal candidates for these jobs. OPM has assured us that this is not the case and actually may help some employees who are currently trapped in dead-end jobs by opening up a new avenue for securing better jobs via the new testing procedures.

We would have preferred that this new initiative be coupled with an initiative for broadened education and training, career ladders, and upward mobility for current Federal workers. Indeed, if the restrictive management rights clause in Title VII of the Civil Service Reform Act were abolished or amended we would look forward to negotiating with agencies over these issues.

We were not given any advance notice of this program. Therefore, we have not had sufficient time or information to fully evaluate it. We look forward to working with the committee, OPM, and other interested parties to move ahead on this hiring program which will secure the top-flight skills and talents the Government needs while insuring that the work force reflects the full diversity of America's citizens.

Thank you.

Mrs. SCHROEDER. Thank you very much, Mr. Mulholland, and I assume by what you say that OPM has not contacted you at all as they went through.

Mr. MULHOLLAND. No, but we contacted them, and we asked for a briefing by their top staff, which we received prior to this testimony.

Mrs. SCHROEDER. Very good.

What do you say to your union colleagues who are either opposed or skeptical about this plan?

Mr. MULHOLLAND. Well, we look at OPM between a rock and a hard. Judge Green, on the one hand, says that you can't use PACE; on the other hand, Judge Green says that you can't use Schedule B hiring. We think that there has to be a method to come up with highly qualified candidates. We think that direct hire, looking at how an employee achieved when competing others in a particular school, shows that they have drive and discipline to get grades, but if there is good oversight on it and good records kept, reviews of it, and some type of enforcement, we are willing to try it. We think that we have the strength to be able to enforce the very principles should abuses occur.

Mrs. SCHROEDER. So while you haven't looked at the IAR questions, you are not opposed to the concept.

Mr. MULHOLLAND. We are not opposed to the concept because of its applied use in the private sector, the main reason being that a larger number of minority candidates seem to achieve high ratings and be able to be hired into the Government, and we think that is a definite plus.

Mrs. SCHROEDER. We appreciate again your being here and your patience with us this morning as we try to find out what this is all about. I think what we all agree on is, we need to know more about what this is all about, and, as we do, we will stay in touch. We thank you and your union for their normally enlightened help as we try and get through it. Thank you very much.

With that, the hearing is adjourned, and we will continue to try and figure out where we are going. Thank you.

[Whereupon, at 10:55 a.m., the subcommittee was adjourned.]

[The statement which follows was received for the record:]

ipma

International
Personnel
Management
Association

1617 Duke Street
Alexandria, Virginia 22314
(703) 549-7100

July 18, 1988

Representative Patricia Schroeder
Chairwoman, Subcommittee on
Civil Service
122 Cannon House Office Building
Washington, D.C. 20515

Dear Representative Schroeder:

The International Personnel Management Association (IPMA) supports the new plan to test and hire entry level employees at the GS-5 and GS-7 levels which was announced by the Office of Personnel Management (OPM) on June 23, 1988. We particularly support the idea of allowing federal agencies to recruit and select candidates directly based on demonstrated academic achievement through a college grade point average (GPA) without taking a test.

IPMA is an organization representing over 1,000 member agencies that include personnel departments at the federal, state and local levels of government, civil service boards and merit system boards. The Association also represents 55,000 individuals, primarily human resource professionals and managers in the public sector and educators in the fields of public and personnel administration. IPMA's objective is to develop an interest in sound human resource management and provide a focus and a forum for the discussion and exchange of views among practitioners and theoreticians throughout the United States and abroad.

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Executive Director
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Other than the lack of competitive salaries in a number of occupations, the biggest inhibitor to recruiting top quality candidates into the federal government is time - the time it takes to process an applicant through the federal hiring system. Not only does the time lag create many recruitment problems; but many agencies are at absolute minimum staffing levels, and each job that remains vacant can severely impair the ability of the agency to perform its mission. It is, therefore, critical that vacancies be filled expeditiously. Moreover, the pool of job candidates is expected to shrink in the future, and to compete effectively, we need to be able to hire directly based on GPA. Further, we support OPM's proposal to lower the GPA, which will allow an even greater pool of highly qualified candidates which can be hired quickly by Federal agencies.

OPM plans to work with federal agencies to finalize this program with a scheduled implementation date of Spring, 1989. IPMA plans to participate in this effort including reviewing the proposed tests in order to determine whether or not these tests will make meaningful distinctions among applicants and can be administered on a timely basis.

The excepted Schedule B authority has been an effective method for hiring quality GS-5 and GS-7 employees, including minorities and women when compared to the hiring patterns under PACE. There is no question that OPM's new plan is a step in the right direction to providing federal agencies with the ability to continue to hire quality candidates in a timely manner. This new plan should contribute to improving the quality of the employees we select for federal jobs.

The Association appreciates the opportunity to provide its comments on this important issue.

Sincerely,

John M. Golden
IPMA President